

## Message Text

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ACTION AF-18

INFO OCT-01 EUR-25 ISO-00 NEA-11 IO-14 FEA-02 SCI-06 INT-08

EB-11 COME-00 TRSE-00 DRC-01 CIAE-00 DODE-00 PM-07

H-03 INR-10 L-03 NSAE-00 NSC-10 PA-04 RSC-01 PRS-01

SPC-03 SS-20 USIA-15 FPC-01 /175 W

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R 220856Z JAN 74

FM USINT ALGIERS

TO SECSTATE WASHDC 0036

INFO AMEMBASSY LONDON

AMEMBASSY PARIS

USMISSION OECD PARIS

USMISSION EC BRUSSELS

LIMITED OFFICIAL USE ALGIERS 0129

E.O.11652: N/A

TAGS: ENRG, OREP, AG

SUBJ: CANCELLATION OF EL PASO II LNG CONTRACT WITH  
SONATRACH

REF: STATE 11720; ALGIERS 0099, PARA 3

1. SONATRACH VICE PRESIDENT AIT-LAOUSSINE IN MEETINGS  
WITH CODEL FANNIN IDSCUSSED LNG CONTRACTS WITH U.S.  
COMPANIES. HE EXPLAINED THAT UNDER CONTRACTS WITH  
DISTRIGAS, EL PASO II REPEAT II, AND EASCOGAS, THE  
CONTRACTS WERE TO BE CANCELLED IF THE NECESSARY AUTHORIZATIONS  
HAD NOT BEEN APPROVED BY DEC.31, 1973.

2. DESPITE CANCELLATION OF DISTRIGAS AND EL PASO II CONTRACTS  
UNDER ABOVE CLAUSE, SONATRACH HAS INDICATED IT IS WILLING  
TO RENEGOTIATE EXPIRED CONTRACTS. PRINCIPLE ISSUE OF  
RENEGOTIATION WILL BE PRICE, ESCALATION CLAUSES AND TERM OF  
CONTRACT. A TWENTY YEAR FIXED PRICE CONTRACT NO LONGER  
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MAKES SENSE IN THE HYDROCARBON INDUSTRY ACCORDING TO

AIT-LAOSSINE. SONATRACH HOPES TO BE READY TO NEGOTIATE  
NEWCONTRACTS IN FEBRUARY.

3. AIT-LAOUSSINE WAS NOT AS CLEAR ON THE STATUS OF THE  
EASCOGAS LNG CONTRACT WHICH WAS CONDITIONALLY APPROVED  
BY FPC ON DECEMBER 27. (USINT WOULD APPRECIATE INFORMATION  
ON FPC DECISION ON EASCOGAS.)  
EAGLETON

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NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** PETROLEUM INDUSTRY, CONTRACTS, NEGOTIATIONS, PRICE TRENDS, MEETINGS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 22 JAN 1974  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** golinofr  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1974ALGIER00129  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** n/a  
**From:** ALGIERS  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1974/newtext/t19740126/aaaaaxyu.tel  
**Line Count:** 69  
**Locator:** TEXT ON-LINE  
**Office:** ACTION AF  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
**Previous Channel Indicators:**  
**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** STATE 11720; ALGIERS 0099, PARA 3  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** golinofr  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 03 APR 2002  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <03 APR 2002 by kellew0>; APPROVED <29 MAY 2002 by golinofr>  
**Review Markings:**

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US Department of State  
EO Systematic Review  
30 JUN 2005

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** CANCELLATION OF EL PASO II LNG CONTRACT WITH SONATRACH  
**TAGS:** ENRG, OREP, AG, SONATRACH, (FANNIN, PAUL J)  
**To:** STATE  
**Type:** TE  
**Markings:** Declassified/Released US Department of State EO Systematic Review 30 JUN 2005